#### REMARKS

The Office Action dated July 7, 2010 has been received and considered. In this response, claims 36-44 and 71-78 have been amended to address various informalities. Claim 46 has been cancelled without prejudice or disclaimer. Support for the amendments may be found in the specification and drawings as originally filed. Reconsideration of the outstanding rejections in the present application is respectfully requested based on the following remarks.

## Objection to Claims 36 and 46

At pages 2 and 3 of the Office Action, claims 36 and 46 are objected to for various informalities. Claim36 has been amended to address the objection, and claim 46 has been cancelled without prejudice or disclaimer. Accordingly withdrawal of the objection to the claims is respectfully requested.

## Section 112 Rejection of Claims 36-46 and 71-79

At page 3 of the Office Action, claims 36-46 and 71-79 are rejected under 35 U.S.C. §

112, second paragraph. This rejection is hereby respectfully traversed. In particular, the Office asserts that it is unclear if the features of claims 36-46 and 71-79 take place during the compaction stage of a circuit layout. Applicants respectfully submit that one skilled in the art would understand, because the determination of the first direction is recited as taking place during compaction of a circuit layout, and the other features of claims 36 and 71 are predicated on the selected first direction, and the other features recite aspects of the compaction of the circuit layout, that each of the features of claims 36 and 71 take place during compaction of the circuit layout. Accordingly, because one skilled in the art would understand the features of the claims, the claims are not indefinite. Withdrawal of the Section 112 rejection and reconsideration of the claims is respectfully requested.

# Obviousness Rejection of Claims 36-46 and 71-79

At page 4 of the Office Action, claims 36-46 and 71-79 are rejected under 35 U.S.C. §
103(a) as being unpatentable over Wolf et al. ("Algorithms for Optimizing Two-Dimensional
Symbolic Layout Compaction," IEEE) in view of McGuinness et al. (U.S. Patent Publication No.

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2004/0078768). This rejection is hereby respectfully traversed. As acknowledged by the Office Action at page 4, McGuiness is asserted as prior art under 35 U.S.C. § 102(e). However, as set forth in 35 U.S.C. § 103 "Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person." In this case, both the McGuiness reference and the present application were subject to assignment to Motorola, Inc. at the time the respective inventions were made. This is evidenced on the face of the McGuiness reference, and on the face of PCT application PCT/RU2003/00595, the parent of the present application. Thus, McGuiness is not prior art under Section 103 with respect to the present application. Withdrawal of the obviousness rejection and reconsideration of the claims is respectfully requested.

#### Conclusion

The Applicants respectfully submit that the present application is in condition for allowance, and an early indication of the same is courteously solicited. The Examiner is respectfully requested to contact the undersigned by telephone at the below listed telephone number in order to expedite resolution of any issues and to expedite passage of the present application to issue, if any comments, questions, or suggestions arise in connection with the present application.

The Applicants believe no additional fees are due, but if the Commissioner believes additional fees are due, the Commissioner is hereby authorized to charge any fees, which may be required, or credit any overpayment, to Deposit Account Number 50-3797.

Respectfully submitted,

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September 7, 2010

Date